

AUDIT PLAN FY 2014-15 Second Quarter Status

Priority

1. CONTRACT MANAGEMENT – **DRAFT REPORT ISSUED**

Scope: Evaluate current contract management practices, including managing deliverables, contractor oversight, compliance with contract provisions, administrative responsibilities.

Resources: 1,300 hours budgeted.

Estimated completion: March 31, 2015

2. BOARD OF DIRECTORS TRAVEL EXPENSE REVIEW – **IN PROGRESS**

Scope: Review travel expense claims for Board of Directors on a quarterly basis for compliance with travel rules and policies.

Resources: 200 hours budgeted.

Estimated completion: Quarterly

3. DESIGN-BUILD OVERSIGHT

Scope: Review processes in place within Program Management to assure risk model of design-build is maintained with Authority role of design acceptance and oversight.

Resources: 1,000 hours

Estimated completion: June 30, 2015

4. YEAR-END CLOSE REVIEW – **COMPLETED**

Scope: Evaluate year-end close process and determine if process is adequate to ensure there are no material misstatements in the 2014 financial statements. Review accrual procedures for compliance with GASB and state year-end close requirements.

Resources: 200 hours budgeted.

Estimated completion: November 30, 2014

5. PREAWARD REVIEWS (A&E) – **ONGOING**

Scope: Consistent with auditing processes at other State agencies, determine reasonableness of proposed cost elements (labor, overhead, other direct costs) for Regional Consultants (five contracts), and Project Construction Management for CP 2-3, and Right-of-Way acquisition (five to ten contracts). Attestation procedures will include obtaining most current information and analysis of actual costs compared to proposed amounts.

Resources: 2,600 hours budgeted (~~2,250 hours with current staffing~~).

Estimated completion: Ongoing as proposals are received. Project Construction Management preaward completed September 10, 2014.

6. INCURRED COST CONTRACT AUDITS (A&E)

Scope: Determine reasonableness and allowability of costs reimbursed under contract. Assess effectiveness and efficiency of contracted resources. Procedures will include interviews of Authority and consultant staff, obtaining technical expertise as necessary, analysis of value received for work performed, and reasonableness and allowability of reimbursed costs. Contracts will be selected based on risk factors of dollar value, number of contracts, and management requests.

Resources: 2,000 hours budgeted (~~1,000 hours with current staffing~~)

Estimated completion: June 30, 2015

AUDIT PLAN FY 2014-15 Second Quarter Status

7. DRAFT AGREEMENT REVIEW - **ONGOING**

Scope: Review draft contracts for applicable fiscal provisions. Review scope of work in contract to determine if scope is auditable, specifically if clearly defined with deliverables and due dates. Cost proposal is reviewed to assure it doesn't contradict the scope or method of payment.

Resources: 400 hours budgeted.

Estimated completion: Ongoing as contracts are executed.

8. PROMPT PAYMENT FOLLOW UP – **IN PROGRESS**

Scope: To determine if issues previously reported have been corrected.

Resources: 200 hours budgeted.

Estimated completion: March 31, 2015

9. SMALL BUSINESS FOLLOW UP

Scope: To determine if issues previously reported have been corrected.

Resources: 250 hours budgeted.

Estimated completion: June 30, 2015

~~Priorities 1 through 9 will be completed with current staff resources.~~

10. PROCUREMENT - **IN PROGRESS**

Scope: Evaluate efficiency and effectiveness of procurement process.

Resources: 1,000 hours budgeted.

Estimated completion: April 30, 2014

11. AUDIT LIAISON – **IN PROGRESS**

Scope: Audit liaison for external auditors (Bureau of State Audits, Department of Finance, Government Accountability Office, etc.).

Resources: 300 hours budgeted

Estimated completion: Single Audit Federal Compliance Audit due March 31, 2015.

12. SPECIAL REQUESTS

Scope: Hours reserved for audits requested by the Board or management throughout the fiscal year.

Resources: 750 hours budgeted.

Estimated completion: As needed/requested

~~**Note:** This plan includes five staff for the first 2 months of the fiscal year and seven staff for the remainder of the fiscal year due to the length of time anticipated to bring new hires on board.~~

Second Quarter Updates:

The Audit Division has filled two staff level positions, effective September 15. A vacancy exists at the supervisor level, but should have no effect on the audit plan at this time.